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STATE FOR NEA/ARP  
STATE PASS USTR FOR JBUNTIN  
COMMERCE FOR ITA COBERG

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SUBJECT: MINISTER AGREES ONUS ON OMAN TO COMPLETE FTA

REF: BUNTIN-GRIMM EMAIL OF 10/20/2007

Classified By: Ambassador Gary A. Grappo, reasons 1.4 (b, d)

11. (U) This is an action request. Please see paragraph 9.

12. (C) On November 11, the Ambassador met with Minister of Commerce and Industry Maqbool bin Ali Sultan to deliver reftel letter from USTR Susan Schwab and gain an update on pending U.S.-Oman Free Trade Agreement (FTA) action items. In delivering Ambassador Schwab's letter to the minister, the Ambassador expressed his own disappointment with the delay in FTA implementation and consequent loss of trade opportunities for both countries.

13. (C) Maqbool acknowledged that the onus was on Oman to complete most of what remains outstanding. Of particular importance to the Minister was promulgation of three laws, all of which, he stated, were nearing completion. On the tender law, Maqbool commented that infighting among the Ministry of Commerce and Industry, Ministry of Legal Affairs, and an unnamed ministry had resulted in unexpected delays. He assured the Ambassador that the differences have since been resolved, and that the draft now awaits the Sultan's approval. Maqbool predicted that the tender law would be issued in the next seven to ten days.

14. (C) On the copyright law, Maqbool told the Ambassador that the Ministry of Legal Affairs had voiced a number of concerns regarding the draft, which slowed its progress considerably. He said that agreement has now been reached "on 90% of the text," and that a November 13 intra-governmental meeting should produce a final version.

15. (C) The Minister highlighted Article 65(e) of the proposed industrial property law as an area of continuing contention between the U.S. and Oman. "We disagree with you," the Minister stated flatly. The Ambassador replied that the USG was not in a position to accept Oman's proposal, as it was inconsistent with the intellectual property provisions of the FTA. Maqbool, who at times referred to WTO and WIPO IPR standards, countered that according to the Ministry of Health's analysis, other FTA partners, such as Jordan and Singapore, retain data protection rights similar to that proposed in Oman's industrial property law. "I want to convince myself that what we're asking you is not unheard of," explained Maqbool. The Ambassador reaffirmed to the Minister that the FTA obligated trading partners to accept the "highest standards" of IPR protection. Maqbool responded, "If it was in my hands, I'd say go ahead and do it, but the Ministry of Health says in writing that there are FTA countries that can do this." The Minister noted that he would follow-up with the Ministry of Health to obtain specific examples of where other FTA partners were afforded

this right. The Ambassador offered to follow-up with the Health Minister to explain the USG position.

¶16. (C) When asked about the status of the Convention on the International Trade of Endangered Species (CITES), Maqbool responded that the Sultan had already approved Oman's accession. He said that the draft royal decree will now be sent from the Ministry of Environment and Climate Affairs to the Ministry of Legal Affairs for promulgation.

¶17. (C) The Ambassador expressed USG interest in completing the implementation process as soon as possible. The Minister agreed and noted that: "We've been fighting so hard, especially with the copyright and tender laws. The Ministry of Legal Affairs and other ministries are not used to these things. I have participated in ten meetings myself on the tender law, but I do so because what we agreed to is right."

¶18. (C) Comment: The Minister was not as testy as he has been in previous meetings regarding the FTA's progress, a sign that he understands the actions his government must take to finish the process. He also provided greater insight into Oman's deliberative process, which appears to have been more contentious than Ministry of Commerce and Industry officials previously disclosed to Emboffs. Of particular concern is the status of telecommunications licensing regulations, which Maqbool conceded were "out of his hands." The Ambassador will meet with the Chairman of the Telecommunications Regulatory Authority on November 17 to discuss next steps. End Comment.

¶19. (C) Action Request. The Ministry of Health remains unconvinced that Article 65(e) of the proposed industrial property law is inconsistent with the treatment received by other FTA partners. To resolve this issue, Embassy proposes drafting a letter from the Ambassador to the Ministers of Health and of Commerce and Industry. This letter would explicitly assure both ministers that the USG, in requesting the deletion of Article 65(e) from the draft industrial property law, is applying the same data protection standards to Oman as applied to all other FTA partners. Embassy will send a copy of the letter to USTR for review once drafted. End Action Request.  
GRAPPO